SAMA

Saskatchewan Assessment Management Agency

ANNUAL REPORT 2009

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

VISION

SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

MISSION

SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

Governance
We provide leadership in methods of valuation and rules of assessment.

Assessment Services
We provide property assessment valuation services.

Information
We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

Quality
We promote and practice quality control and conduct quality assurance audits.

Communications
We consult with and inform local governments and the public about property assessment.

Innovation
We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity
We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

Professionalism
We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

Dedication
We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

Solution-Focused
We work collaboratively with others to understand needs and provide the best possible solutions.

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The Honourable Gordon L. Barnhart
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2009 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2009 to December 31, 2009.

Respectfully submitted,

Jeremy Harrison
Minister of Municipal Affairs

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Minister of Municipal Affairs
Room 307, Legislative Building
Regina SK
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Dear Madame and Sirs:

On behalf of the Board of Directors, I respectfully submit the 2009 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2009 to December 31, 2009.

Yours sincerely,

Neal Hardy
Chair, Board of Directors

The Saskatchewan Assessment Management Agency (SAMA) was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system and to provide municipalities and school divisions with cost-effective assessment services.

Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, ensure adequate resources for the long-term, provide needed research and policy development, and establish a higher priority for the assessment function.

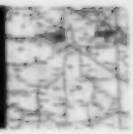
In 2009, SAMA was funded jointly by the Province, municipalities, and school divisions. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs, and quality assurance. The Ministry of Education paid the education sector requisition on behalf of school divisions. The balance of the Agency's revenue was provided by those municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

SAMA provides assessment valuation services to 756 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 817,668 properties in the province. SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.

For 2009, the Agency's eleven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000;
- one member named by SUMA for cities with a population exceeding 30,000;
- two members named by the Saskatchewan School Boards Association;
- three members nominated by the Minister of Municipal Affairs;
- one member nominated by the Minister of Municipal Affairs based on a recommendation by the Minister of Education; and
- the chairperson of the Board, who is nominated by the Minister of Municipal Affairs after consultation with SARM, SUMA and the Saskatchewan School Boards Association.

To hold membership on the SAMA Board, the municipal and school division members must themselves be elected local government officials. Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.



The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current, and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.

  The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

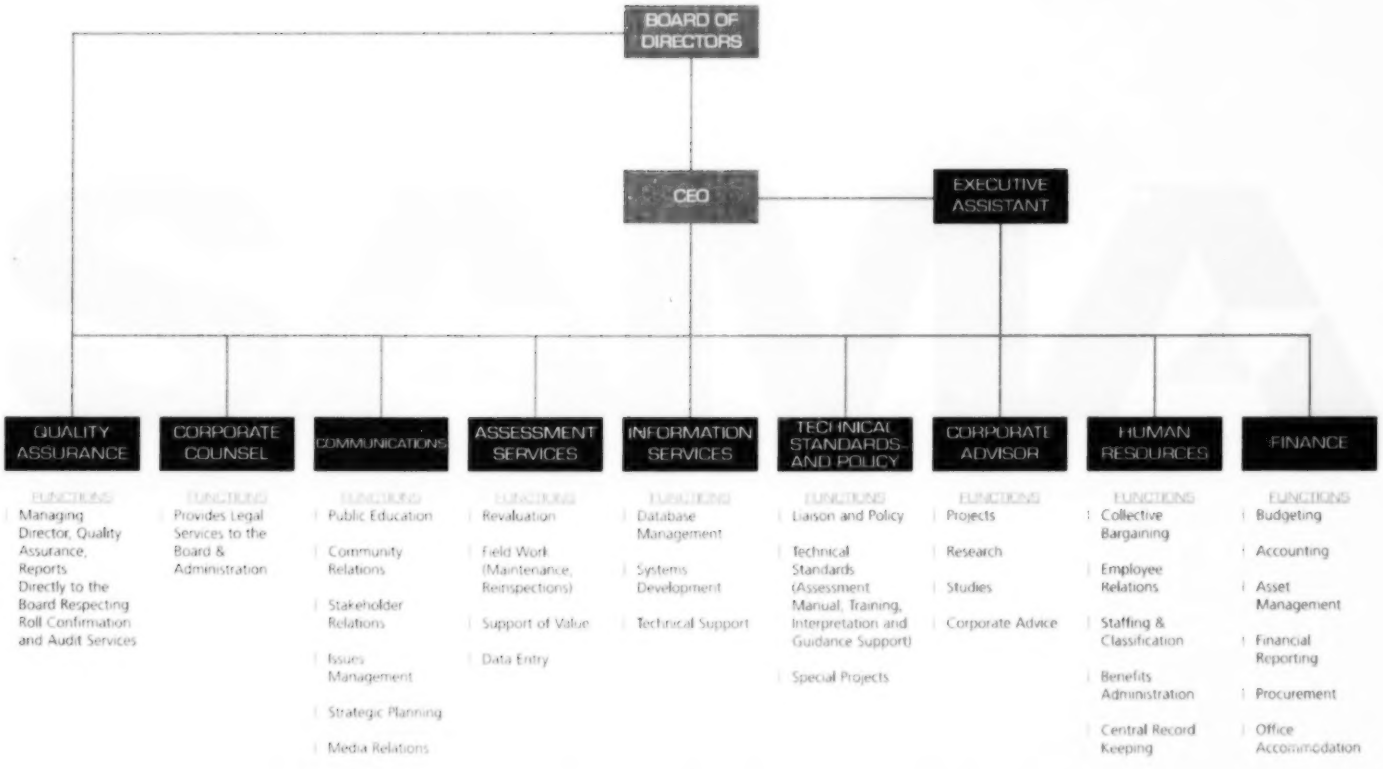
  The committee has established and maintains a sub-committee called the Commercial Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the 2009 revaluation and the next revaluation in 2013.

- The Legal and Legislative Review Committee, represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Municipal Affairs, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities and school divisions can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities and school divisions;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.

SAMA
Saskatchewan Assessment Management Agency



Back row, left to right: David Kirby, representing Rural (term began: December 16, 2009); Jim Angus, representing the Province (term began: December 3, 2008); Ray Sass, representing Boards of Education; Sharon Armstrong, representing Urban; Ron Thomas, representing the Province

Front row, left to right: John Wagner, representing Rural; Dan Danielson, representing Boards of Education; Myron Kharlamb, representing the Province; Neal Hardy, Chair, representing the Province, former Rural representative (term began: October 15, 2009); Rick Bourdeau, representing the Province; Fred Clipsham, representing Urban

Missing from photo: Craig Melvin, Chair, representing the Province (term expired: September 1, 2009)

SAMA EXECUTIVE TEAM

Back row, left to right: Gordon Smith, Managing Director, Quality Assurance; Betty Ireland, Managing Director, Human Resources; Carman Dolinski, Managing Director, Finance; Susan McDonald, Corporate Advisor; Penny Gregoire, Executive Assistant

Front row, left to right: Donna-Lynn Meckan, Corporate Counsel; Margaret Heffernan, Managing Director, Communications and Planning; Lorne Brown, Chief Executive Officer; Brad Grimes, Managing Director, Assessment Services; Rick Low, Managing Director, Information Services; Steve Sutton, Managing Director, Technical Standards and Policy

The SAMA Board of Directors is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province. This includes regulating assessment valuation procedures, conducting assessment research, consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders, confirming municipal assessment rolls, maintaining a central information database and undertaking quality assurance functions, including primary and secondary audits. SAMA consults extensively to ensure the implementation of equitable and understandable assessment policies for property owners.

[SAMA FINANCIAL STRUCTURE]

SAMA is responsible for more than $60 billion in property assessment and a $1.3 billion property tax base for the Province of Saskatchewan.

In 2009, the AMA Act provided a funding structure that reflected the interests of municipal, school and provincial government stakeholders. The following outlines the 2009 funding formula:

(a) the Government of Saskatchewan, 40%
(b) municipalities, 30%
(c) school divisions, 30%

The Province's share of funding reflects its interest in:

- assessment research and policy development
- maintaining a central database
- providing assessment information to the municipalities
- assuring the quality of assessments

[2009 MUNICIPAL REQUISITION]

Client municipalities pay a requisition fee for SAMA's assessment services. The total requisition in 2009 was $5.8 million. Rural and urban portions of the requisition are kept separate. Consequently, changes in the numbers of urban properties impact only on urban municipalities while changes in the number of rural properties impact only on other rural municipalities. The total amount collected by SAMA from our client municipalities has remained fixed at $5.8 million since 2004.

[BUSINESS AND FINANCIAL PLANNING]

In 2009, the Agency established a four-year business and financial plan for 2010-2013. The four-year plan was based on strategic directions developed in consultation with the Agency's funding stakeholders, and a four-year operating and capital funding plan.

Modelled on the balanced scorecard approach, the strategic directions focus on four generic perspectives – financial expectations, client and stakeholder expectations, internal business process expectations and learning and growth expectations.

SAMA also prepares an annual Business and Financial Plan each year to support its annual budget. In 2009, the Agency established its 2010 Business and Financial Plan specifying the Agency's goals, objectives and key actions for the 2010 budget year. The business plan was a key element of budget consultations with stakeholders that took place in June 2009, prior to budget approval.

SAMA's accountability to stakeholders was expanded starting in 2008 to include an annual performance report. The Agency's 2009 Performance Report will be its second annual report to stakeholders, and will report on 25 performance measures for the 11 objectives set out in the 2009 Business and Financial Plan.

The Agency's performance model is based on three levels of performance measures – activity output metrics, client benefit outcomes, and strategic outcomes. The current performance measures are primarily activity output based, which are most relevant to internal program management. Over the next four-year business plan (2010-2013), the overall performance measures will evolve to higher-level client benefit outcomes and strategic outcomes to be more relevant and meaningful to the Agency's stakeholders.

[REVALUATION 2009]

The year 2009 was a property revaluation year for the Province of Saskatchewan. SAMA co-ordinates a full revaluation of all properties in Saskatchewan every four years to reflect a more current valuation base date. The 2009 revaluation used June 30, 2006 as the base date. The 2013 revaluation will use January 1, 2011 as the base date.

Property assessments relate the value of a property to local market conditions as of a specific date. Since property values change over time, all assessments are determined according to a base date to ensure fairness. This base date is required to be moved forward every four years by current provincial legislation.

Agricultural properties continue to be assessed using the current regulated system based on productive value. Heavy industrial property, railway, pipeline and resource production equipment also use a regulated system.

In 2009, SAMA and the independent assessment jurisdictions implemented a market value standard for residential and commercial properties to align Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

[REVALUATION 2009 CONSULTATIONS]

SAMA's Board of Directors held a 2009 Revaluation Open Forum at its Annual Meeting in Regina on June 17, 2009. The forum was conducted to listen to delegates' questions and concerns about the revaluation's progress, SAMA's assessment policy direction, and the Agency's delivery of assessment valuation services. Delegates reported, in a survey conducted at the annual meeting, that they appreciated the open forum discussion and found it helpful and informative.

Further to the process initiated at the annual meeting, the SAMA Board conducted two formal revaluation consultation sessions in Regina (August 27, 2009) and Yorkton (September 24, 2009) to:

- consult with the public regarding issues arising from the 2009 revaluation
- listen to property owners' concerns regarding assessment policy direction
- discuss potential improvements to the Agency's assessment valuation services.

Between October 2009 and February 2010, selected Board members attended conventions held by the Provincial Association of Resort Communities (PARCS), SARM, the SSBA and SUMA in order to receive stakeholder feedback at each of these events. A report on these consultations will be made available to the public following SAMA's 2010 annual meeting.

[PROVINCIAL EDUCATION MILL RATE]

In March 2009, the Government of Saskatchewan cut and capped education property tax rates (mill rates) by setting province-wide tax rates for each of the three major property classes - residential, commercial and agricultural. The overall amount of tax paid by property owners to fund education was reduced by $103 million, or 14 per cent, in 2009 compared to 2008. In turn, the provincial government increased its share of funding to school divisions by $241 million in 2009. As a result, the province now funds about 63 per cent of the operating costs for Pre-kindergarten to Grade 12 education, up from 2008's provincial funding of 51 per cent.

[PROPOSED AMENDMENTS TO *THE ASSESSMENT MANAGEMENT AGENCY ACT*]

On December 1, 2009, the Government of Saskatchewan introduced Bill 127 to amend *The Assessment Management Agency Act* (AMA Act). The bill is expected to be passed in the Spring Session of the Legislature, in May 2010.

The Bill includes major changes to SAMA's Board structure and funding formula, made in recognition of the modified system of education funding that was enacted in 2009.

SAMA's Board of Directors will be reduced in size from eleven members to seven. The new Board will include two representatives from urban municipalities (one from municipalities over 30,000 and one from municipalities under 30,000), two representatives from rural municipalities and three government appointees including the Board Chair. Two education sector members, and two government-appointed members, will no longer be part of the SAMA Board, once the legislation is passed.

SAMA's funding formula is being amended from the current 40:30:30 funding arrangement to a 65:35 funding formula with government (Ministry of Finance) paying 65% of SAMA's budget, and the municipal sector paying 35% of SAMA's budget. Other funding provisions remain unchanged with respect to the four-year funding plan, annual budget, consultations, timelines, payment and recovery of requisitions.

The new funding formula will allow SAMA to enter into special agreements with municipalities who may want additional services over and above those provided within basic requisition formula services.

Other amendments include:

A clause relating to Saskatchewan Municipal Board (SMB) appeal decisions: the decision of the appeal board must be applied in subsequent valuations and revaluations of that property, unless there are physical changes to the property. This amendment is very similar to SAMA's current practice in dealing with SMB appeal decisions.

Reinspections: removing the requirement to reinspect the physical characteristics and condition of residential and commercial properties at least once every 12 years, and agricultural lands at least once every 16 years. This legislative change recognizes the Agency's fiscal constraints and allows SAMA to better target inspection activities to areas with the most significant expected changes.

Right of entry revisions: provisions clarifying that appraisers may enter a property after making reasonable efforts to notify the owner or occupier of the property, while the consent of the owner or occupier is needed to enter a private dwelling.

An immunity clause: a new provision that provides immunity from prosecution to SAMA staff at a level similar to that currently provided to municipal staff when they are conducting assessment work.

Municipalities wishing to undertake their own valuation services need the prior written consent from all affected Boards of Education and the written consent of SAMA. Once the amended AMA Act becomes law, the Minister of Education's consent will be needed for a municipality to opt out or opt back into SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make payment to the Agency. Jurisdictions, which employ their own appraisal personnel, still must follow SAMA's assessment procedures, policies and guidelines.

| TECHNOLOGICAL ADVANCEMENTS |

2009 saw the development and implementation of SAMA's new website application SAMAView. SAMAView empowers the Agency to efficiently communicate - to the public - relevant revaluation and property assessment information.

For comparison purposes, SAMAView allows the general public access to individual property assessment information, as well as property assessment information within any SAMA client jurisdiction. This website visually presents assessment information, using easy to understand maps. SAMAView gives the public a tool to gather specific information without having to contact municipal or agency offices. The public can then make informed decisions as to whether or not to appeal the assessment of their property.

Assessments will not reflect individual selling prices, but rather, typical assessment values for the base year. In assisting ratepayers to review the appropriateness of their property assessment, SAMA is shifting its emphasis from correctness of process to correctness of value. To access SAMAView, please visit the Agency's website at www.sama.sk.ca and click on the SAMAView logo on our home page.

[NEW BOARD CHAIR]

Craig Melvin's appointment as Chair of the SAMA Board of Directors expired on September 1, 2009. Mr. Melvin was first appointed September 1, 2003 and served for two three-year terms. Under Mr. Melvin's leadership, SAMA, the Provincial Government, stakeholders, and other assessment service providers, including the major cities, successfully partnered to develop and deliver a property assessment system that is fully compatible with national and international industry best standards.

In October 2009, the Province of Saskatchewan selected SAMA Rural Representative Board member Neal Hardy to assume the role of SAMA Board Chair. Mr. Hardy's previous roles as Minister of the Environment and Minister of Rural Development for the Government of Saskatchewan, and as President of SARM are enhanced by his current experience as an agricultural producer, former business owner and operator and as Reeve of the Rural Municipality of Hudson Bay #394.

[GOVERNANCE]

SAMA's Board of Directors occupies a central position in the governance of the Agency. The Board's general role is to foster the organization's short and long-term success consistent with its mandated objectives and accountability to stakeholders. Maintaining a positive relationship with our municipal clients is essential to a stable funding base for Saskatchewan communities, and to our joint success.

Neal Hardy,
Chair, Board of Directors

[ASSESSMENT SERVICES]

The Assessment Services Division provides valuation services to 756 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 817,668 properties in the province. Core processes include revaluations (every four years), requirements for the move to market, annual maintenance, assessment validations, and general re-inspections.

[ANNUAL MAINTENANCE INSPECTIONS]

SAMA conducts inspections of individual properties that have undergone changes, and recalculates assessment values based on this updated property information.

[*ASSESSMENT VALIDATION*]

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings and all levels of appeal – i.e. Board of Revision, Saskatchewan Municipal Board and Court of Appeal. SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

[*PROPERTY INSPECTION PROGRAMS*]

SAMA maintains detailed property assessment records under the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in the municipality are reviewed under the general reinspection program.

The following is a summary of reinspection activities conducted by SAMA in 2009:

- reinspection of more than 11,770 agricultural parcels (quarter sections);
- reinspection of more than 5,348 building improvements;
- reinspection of 116 industrial properties;
- more than 56,349 non-industrial property assessments updated (includes 16,047 rural residential property exemptions) and 67,000 industrial property assessments updated under the annual maintenance program;
- general reinspections implemented in 7 rural and 37 urban municipalities; and
- general reinspections initiated in 6 rural and 16 urban municipalities.

[2009 REVALUATION PROGRAM]

SAMA's major program commitment for 2009 was the province-wide revaluation of all property to update assessment values to a June 30, 2006 base date. The 2009 revaluation used a market value standard for residential and commercial properties, aligning Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

Throughout the year, appraisers attended several open houses and met often with municipal assessors, councils and property owners to explain property assessments and resolve local assessment issues, and attended Boards of Revision and Appeal Board hearings to explain and support SAMA's assessment valuations.

The Agency implemented new market value assessment system with the lowest level of appeals overall of any revaluation since the process of regular revaluations began in 1997.

As of January 4, 2010, there were 3,040 appeals received, 96% finalized (of these 70% are agreements to adjust) and 1% (42) going to the next level (Saskatchewan Municipal Board).

[HOTEL AND MOTEL ASSESSMENTS]

With the 2009 revaluation, hotel and motel assessments increased more than other property types on average. The strength of the hotel and motel market between 2002 and 2006, combined with implementing the income approach to valuation, meant a substantial increase for hotel and motel assessments, as compared with other property types.

Assessed values in 2009 more accurately reflect the value of hotels and motels, as they are closer to actual sale prices for those properties.

In December 2008, SAMA began conducting a preview procedure for hotel and motel property owners to address issues surrounding valuation increases, and to:

- consult and get feedback
- explain values
- examine and inform

Hotel/Motel Mill Rate Factors

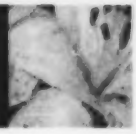
The Government of Saskatchewan recognized that hotels and motels have, based on provincial averages, experienced assessment increases substantially higher than other commercial and industrial properties. Municipalities earlier expressed concern to the Province about potential property tax shifts and the inability to mitigate the financial impact to their hotel and motel operators.

Amendments made in April 2009 to *The Municipalities Regulations* and *The Northern Municipality Assessment and Taxation Regulations* allow municipalities to establish separate mill rate factors, for municipal tax purposes only, to hotels and motels for the years 2009 and 2010. The regulation amendments, which are retroactive to January 1, 2009, provide municipalities with discretionary authority to create a local class of assessment for hotels and motels in the municipality for mill rate factors only. Municipalities may exercise discretionary authority to essentially phase in this assessment driven increase over two years.

The local class of assessment includes the assessments of land and improvements for full service hotels, limited service hotels, gallonage hotels and motels. Hotels and motels continue to be part of the commercial and industrial property class relative to the use of other tax tools – minimum tax or base tax.

[2009 MAINTENANCE]

SAMA made great progress at improving the timeliness of assessment maintenance service in 2009. As a result of process improvements, 2009 maintenance commenced earlier than the 2008 maintenance work, with 40 percent of inspections completed as of January 9, 2009. By June 30, 2009, 100 percent of inspections were completed.



In 2009, maintenance work processed 56,349 properties, which is significantly higher than the 36,800 in 2008. This total includes 16,047 rural residential properties with exemptions, which were processed as part of 2009 maintenance. The balance of these exemptions will be applied through the roll confirmation process.

The following table summarizes the 2009 maintenance target and actual completions.

	Maintenance Inspected	
Date	**Target (%)**	**Actual (%)**
December 1, 2008	25	24
January 1, 2009	40	36
February 1, 2009	75	49
March 1, 2009	100	66
March 31, 2009	100% Delivered	75
June 10, 2009	-	100

2010 maintenance commenced in October 2009, with an objective to continue to improve and advance the timelines of maintenance delivery relative to 2008 and 2009 delivery deadlines.

[LEAN PHILOSOPHY]

In 2008, SAMA embarked on a strategy called the Lean philosophy. Lean is a process improvement philosophy that focuses on reducing waste, variation and imbalance. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean:

- A 25% increase in efficiency and productivity
- Highly engaged staff, that take ownership of the business processes
- An Agency in a much better position to meet the increasing demands from clients

Lean Works by:

1. Examining processes from beginning to end, across divisions and including clients, in a collaborative manner
2. Putting decision-making power in the hands of front line staff who best understand the problems
3. Giving staff the focused time needed to understand and solve problems
4. Emphasizing solutions that work within existing staffing and technology levels
5. Providing for continuous flow and continuous improvement.

For 2009, Lean accomplishments included establishing templates and standards for Lean delivery. For example, value stream mapping, a process that creates the tools needed to support Lean change initiatives, initially done over a 6-day period, was shortened to only 3 days.

In August 2009, an update on the sales verification value stream showed that after 18 months of Lean, the inventory of sales to be verified was reduced from over 34,000 to less than 15,000. The goal is to have no more than 5,000 sales waiting to be verified at any time, and this goal will be achieved in 2010.

The maintenance value stream was mapped and updated twice. Municipal administrators participated in developing the improved processes. The impact has been significant in advancing the deadlines for completing maintenance work, and in allowing Assessment Services to better meet customer demand for this time-sensitive annual service.

An example of the added efficiencies of Lean can be seen through the number of property inspections per appraiser. The time freed up through Lean, and our overall business process initiatives, translated into a substantial gain in our inspection production levels. In 2009, there were 913 property inspections per appraiser – an increase of 20% over the 2005-2008 average.

[THE COMPETITIVE ASSESSMENT ENVIRONMENT]

Since 1995, a provision in *The Assessment Management Agency Act* has been made available that allows municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon, to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions and SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

As of December 31, 2009, municipalities wishing to undertake their own valuation services need the prior written consent from all affected Boards of Education and the written consent of SAMA. Once the amendments to the AMA Act set out in Bill 127 becomes law, SAMA and the Minister of Education's consent will be needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency. Jurisdictions, which employ their own appraisal personnel, still must follow SAMA's assessment procedures and guidelines.

As of January 1, 2010, 14 urban municipalities did not use SAMA's valuation services. The Town of Kerrobert asked SAMA to resume providing assessment services to them starting in 2010. The cities of Saskatoon, Regina, Prince Albert and Swift Current also do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA.

[INFORMATION SERVICES]

In 2009, the Information Services Division continued to focus on ensuring the Agency is served by modern and efficient technology.

Internally, Information Services continued to improve its service delivery to the Agency using Lean methods and tools, and focusing on high value, effective initiatives.

[SAMAVIEW]

SAMAView is a website application the Agency implemented in early 2009. SAMAView allows the general public access to individual property assessment information for all SAMA client jurisdictions. This website visually presents assessment information, using easy to understand maps. It empowers the Agency to efficiently communicate - to the public - relevant revaluation and property assessment information.

[SAMAVIEW, IN ADDITION:]

- Increases SAMA's transparency through public access to property assessment information
- Allows assessment comparisons for neighbouring properties so owners can determine fairness
- Builds on a maturing internal Geographical Information System (GIS)
- Lightens municipal administrators' workload by reducing inquiries from the public, financial institutions, real estate agents and fee appraisers
- Supports future Internet services due to SAMAView's technologically progressive foundation
- Reinforces SAMA's capacity to rapidly build and deploy an application, on time and within budget

[KEY 2009 INITIATIVES FOR BUILDING FUTURE TECHNOLOGY CAPACITY INCLUDE:]

- Developing and implementing a Municipal Valuation Tracker application for the Quality Assurance Division, which automates the coordination of roll balancing activities between the Quality Assurance and Assessment Services Divisions
- Researching and evaluating Human Resource Information Management solutions
- Upgrading staff's performance measurement standards through Tenrox Time Reporting software

[HUMAN RESOURCES]

As of January 2010, the Agency employed 194 permanent and temporary positions, 131 of which were in the Assessment Services division.

[WORKFORCE PLANNING]

The Agency continues to address workforce planning by:

- Recruiting people with the right type of attitude and motivation who are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people.
- Enhancing the Agency's retention and leadership succession planning to build and sustain a healthy and viable organization.

The Agency's Training Assessment Appraiser Program (TAAP) is entering into its fourth year, and was designed to develop future urban appraisers and address the challenges SAMA has had attracting qualified candidates to regional offices. Through consultation with TAAP participants, the Agency amended the Agreement to provide participants with the option to shorten the original Program. The amended Agreement option shortens the original term from five years to four years, and reduces the service commitment to two years upon successful completion.

Upon successful completion, participants will have qualified as accredited assessment appraisers with the Saskatchewan Assessment Appraisers' Association and as Residential Evaluation Specialists with the International Association of Assessing Officers. Currently, seven regional SAMA employees are enrolled in the TAAP program: four in Melfort, two in Regina and one in Saskatoon.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. Anticipating a scarcity of assessment appraisers, the Agency continues its:

- $5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA);
- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies.

One of the main training initiatives planned for 2010 involves the planned Agency wide desktop refresh. The main focus for this training initiative is to prepare staff for the move from Office 2000 to Office 2007, upgrade from Windows 2000 to Windows 7 and hardware training on upgrades from desktop computers to laptop computers.

EMPLOYEE SURVEY

In 2009, SAMA conducted its second on-line survey, providing employees with an opportunity to assist the Agency in planning new initiatives and programs, and to measure what gains have been made in the level of employee satisfaction from the first on-line survey back in 2007. The survey had an excellent participation rate of 78%. The overall level of employee satisfaction reported in the 2009 survey was 3.61, which showed an increase over the 2007 survey result of 3.32. All scores were rated on a 5-point scale with 1 being the lowest level of satisfaction, and 5 being the highest.

The survey measured 6 dimensions of the work environment:

- Rewards
- Leadership
- People
- Work Processes
- Information and Knowledge
- Change Management

The employee survey and subsequent feedback meetings resulted in many excellent ideas and suggestions. Several issues are being addressed through processes and changes already in progress while the more complex issues require further planning for long-term success.

[EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS]

Throughout 2009, SAMA continued to focus training initiatives towards a number of key areas: the Income Approach, Uniform Standards of Practice and Professionalism, Change Management and LEAN Training. In addition, the Agency provided a number of in-house training opportunities such as Sales Verification, Residential Data Collection and Support of Values.

SAMA's employees continue to have considerable success with their achievement of professional accreditations.

In 1990, the Virginia branch of the International Association of Assessing Officers (IAAO) challenged other jurisdictions to increase their designees and, ultimately, their professionalism in the assessing field by establishing the Virginia Cup. In 2008, Saskatchewan won the award. In 2009, Saskatchewan finished second in the Virginia Cup competition with six Residential Evaluation Specialist (RES) designations. Saskatchewan was the only Canadian province in the competition, and continues to hold the highest rate of IAAO designations in Canada.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

[CONFIRMATION OF ASSESSMENT ROLLS AND ASSESSMENT AUDIT]

The Quality Assurance Division conducted Confirmation audits of assessment rolls, and Primary Audits for the majority of municipalities in Saskatchewan to determine compliance with the requirements of the municipal Acts, *The Assessment Management Agency Act,* and the Saskatchewan Assessment Manual.

For the 2009 assessment roll year, SAMA issued Certificates of Confirmation for 649 municipalities (88% of all received returns for 2009). As at February 8, 2010, the 2009 confirmation audit was in progress for 91 municipal assessment rolls, and 37 municipal assessment returns were still outstanding. Quality Assurance Division provided considerable assistance to several municipalities experiencing various problems with their assessment rolls. All municipalities passed the 2009 Primary Audit, with their general appraisal level falling within the regulated range (0.98 to 1.02).

In 2009 Quality Assurance Division began a pilot project to develop a new oversight initiative called, "Performance Review." Several meetings with assessment service providers were held to describe, review and discuss the program. The Performance Review is intended to focus on mass appraisal work completed by assessment service providers with an objective of continual improvement through the use of industry established best practices. The Performance Review is proposed as a voluntary program that will not impact the confirmation of municipal assessment rolls. Finalization of the Performance Review is expected in 2010.

2009 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

as at March 1, 2010

	URBAN MUNICIPALITIES		
	CITIES	TOWNS	VILLAGES
TAXABLE:			
Non-Arable	260,630	681,760	283,520
Other Agricultural	1,920,320	10,643,883	6,594,404
Residential	1,333,135,776	2,853,384,015	526,179,845
Multi-Unit	127,164,020	126,886,552	9,260,594
Seasonal Residential	0	20,474,160	16,383,780
Commercial and Industrial	525,472,395	647,205,073	85,227,410
Elevators	9,459,150	51,115,125	12,209,100
Railway R/W and Pipeline	1,739,700	12,768,600	13,045,425
Taxable Total	1,999,151,991	3,723,159,168	669,184,078
EXEMPT:			
Non-Arable	4,219,040	271,520	26,040
Other Agricultural	710,490	2,052,505	692,255
Residential	39,667,810	69,261,729	13,198,843
Multi-Unit	8,571,790	4,660,864	828,576
Seasonal Residential	0	2,377,970	565,250
Commercial and Industrial	527,064,650	1,042,206,420	308,631,384
Elevators	242,400	270,375	160,875
Railway R/W and Pipeline	642,900	3,141,000	1,860,600
Exempt Total	581,119,080	1,124,242,383	325,963,823
PROVINCIAL GRANT-IN-LIEU			
Non-Arable	6,360	280	0
Other Agricultural	16,830	16,995	5,610
Residential	6,186,040	14,343,560	2,590,840
Multi-Unit	24,804,290	8,689,590	2,415,980
Seasonal Residential	0	0	0
Commercial and Industrial	33,409,300	24,776,400	3,755,700
Elevators	0	0	0
Railway R/W and Pipeline	0	470,850	0
Provincial Grant-in-LieuTotal	64,422,820	48,297,675	8,768,130
FEDERAL GRANT-IN-LIEU			
Non-Arable	0	0	0
Other Agricultural	0	102,685	0
Residential	33,740	1,688,540	1,533,000
Multi-Unit	0	495,250	160,440
Seasonal Residential	0	0	0
Commercial and Industrial	8,073,100	17,111,600	2,786,100
Elevators	0	0	0
Railway R/W and Pipeline	881,490	0	285,150
Federal Grant-in-Lieu Total	8,988,330	19,398,075	4,764,690

2009 assessed values for Urban, Rural and Northern municipalities are calculated based on the following percentages of assessed value for the June 30, 2006 base year:

Non-Arable Land	40%	Commercial and Industrial	100%
Other Agricultural	55%	Elevators	75%
Residential / Seasonal	70%	Railway R/W and Pipline	75%
Multi-Unit Residential	70%		

RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES	RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN TOTAL[1]
34,840	1,260,750	747,959,645	136,760	749,357,155
40,480	19,199,087	7,654,680,449	851,400	7,674,730,936
115,657,840	4,828,357,476	1,167,038,851	150,930,570	6,146,326,897
555,030	263,866,196	8,939,140	5,652,710	278,458,046
225,546,652	262,404,592	450,139,029	75,316,990	787,860,611
18,799,600	1,276,704,478	6,055,703,349	345,542,900	7,677,950,727
0	72,783,375	275,759,469	0	348,542,844
25,875	27,579,600	2,088,262,213	242,325	2,116,084,138
360,660,317	6,752,155,554	18,448,482,145	578,673,655	25,779,311,354
64,560	4,581,160	17,786,985	1,843,520	24,211,665
56,375	3,511,625	31,576,705	360,415	35,448,745
3,680,250	125,808,632	772,838,718	15,449,070	914,096,420
0	14,061,230	843,780	287,350	15,192,360
6,347,670	9,290,890	25,182,711	4,944,940	39,418,541
8,668,800	1,886,571,254	796,499,545	88,212,600	2,771,283,399
0	673,650	27,922,742	0	28,596,392
0	5,644,500	157,635,730	0	163,280,230
18,817,655	2,050,142,941	1,830,286,916	111,097,895	3,991,527,752
0	6,640	35,135,520	0	35,142,160
0	39,435	3,032,760	0	3,072,195
0	23,120,440	967,820	163,590	24,251,850
0	35,909,860	0	92,190	36,002,050
0	0	0	20,440	20,440
424,300	62,365,700	66,707,967	9,030,000	138,103,667
0	0	0	0	0
0	470,850	36,639,450	0	37,110,300
424,300	121,912,925	142,483,517	9,306,220	273,702,662
0	0	97,574,000	0	97,574,000
0	102,685	6,254,545	0	6,357,230
0	3,255,280	7,066,080	1,065,540	11,386,900
0	655,690	5,334,840	318,850	6,309,380
0	0	0	560	560
0	27,970,800	53,930,000	3,174,200	85,075,000
0	0	0	0	0
0	1,166,640	3,602,325	0	4,768,965
0	33,151,095	173,761,790	4,559,150	211,472,035

[1]Assessment rolls for 2009 have not been confirmed for the municipalities listed on the following page, and those totals have not been included in this table.

A number of assessment rolls have not been confirmed as of March 1, 2010, and they are listed below. This is not unusual for a year in which a Revaluation took place, and therefore the Confirmed Assessed Value Totals in the table on the previous page should not be considered final. For current information regarding Confirmed Assessed Value Totals, please visit SAMA's website at www.sama.sk.ca, and click on the "Roll Confirmation & Quality Assurance" tab.

City of Estevan
City of Humboldt
City of Melfort
City of Melville
City of Moose Jaw
City of Prince Albert
City of Regina
City of Saskatoon
N. Town of La Ronge
N. Village of Beauval
N. Village of Cumberland House
N. Village of Pelican Narrows
N. Village of Pinehouse
N. Village of Sandy Bay
Resort Village of Alice Beach
Resort Village of Candle Lake
Resort Village of Island View
Resort Village of Leslie Beach
Resort Village of Lumsden Beach
Resort Village of North Grove
Resort Village of Sun Valley
Resort Village of The District of Katepwa
Resort Village of Wakaw Lake
R.M. of Aberdeen No. 373
R.M. of Arborfield No. 456
R.M. of Blucher No. 343
R.M. of Bone Creek No. 108
R.M. of Buchanan No. 304
R.M. of Buckland No. 491
R.M. of Caledonia No. 099
R.M. of Cana No. 214
R.M. of Chaplin No. 164
R.M. of Corman Park No. 344
R.M. of Cote No. 271
R.M. of Cymri No. 036
R.M. of Eagle Creek No. 376
R.M. of Elfros No. 307
R.M. of Emerald No. 277
R.M. of Excel No. 071
R.M. of Fertile Valley No. 285
R.M. of Fox Valley No. 171
R.M. of Grant No. 372
R.M. of Hazel Dell No. 335
R.M. of Humboldt No. 370
R.M. of Invergordon No. 430
R.M. of Laird No. 404
R.M. of Lajord No. 128
R.M. of Lakeland No. 521
R.M. of Livingston No. 331
R.M. of Loon Lake No. 561
R.M. of Lost River No. 313
R.M. of Lumsden No. 189
R.M. of Marquis No. 191
R.M. of Mckillop No. 220
R.M. of Meadow Lake No. 588
R.M. of North Qu'Appelle No. 187
R.M. of Norton No. 069
R.M. of Porcupine No. 395
R.M. of Prince Albert No. 461
R.M. of Sasman No. 336
R.M. of Snipe Lake No. 259
R.M. of Three Lakes No. 400
R.M. of Vanscoy No. 345
R.M. of Wheatlands No. 163
R.M. of Willow Creek No. 458
Town of Arborfield
Town of Big River
Town of Bruno
Town of Craik
Town of Davidson
Town of Fort Qu'Appelle
Town of Grenfell
Town of Herbert
Town of Indian Head
Town of Langham
Town of Lumsden
Town of Milestone
Town of Morse
Town of Osler
Town of Radisson
Town of Shellbrook
Town of Spiritwood
Town of Tisdale
Town of Whitewood
Village of Abernethy
Village of Antler
Village of Beatty
Village of Bradwell
Village of Briercrest
Village of Brock
Village of Climax
Village of Disley
Village of Drinkwater
Village of Duff
Village of Elfros
Village of Elstow
Village of Endeavour
Village of Ernfold
Village of Fosston
Village of Gladmar
Village of Glaslyn
Village of Goodeve
Village of Hawarden
Village of Hepburn
Village of Hyas
Village of Lake Lenore
Village of Leoville
Village of Lintlaw
Village of Lucky Lake
Village of Mankota
Village of Margo
Village of Meath Park
Village of Mervin
Village of Mistatim
Village of Mortlach
Village of Netherhill
Village of Pangman
Village of Plunkett
Village of Primate
Village of Prud'Homme
Village of Ruddell
Village of Shamrock
Village of Sheho
Village of Togo
Village of Tuxford
Village of Weirdale
Village of Wood Mountain
Village of Yarbo

[CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2009]

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

MEMBER	ORGANIZATION
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Neal Hardy	SAMA Board Chair
Ron Thomas (non-voting)	SAMA Board Member
John Wagner (non-voting)	SAMA Board Member
Dale McBain	City of Moose Jaw
Garry McKay	City of Moose Jaw
Fred Matheson	City of Prince Albert
Greg Dionne	City of Prince Albert
Pat Fiacco	City of Regina
Vacant	City of Regina
Myles Heidt	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Allan Earle	Saskatchewan Urban Municipalities Association, President
Colleen Young	Saskatchewan School Boards Association, Trustee
Charla Weber	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Vacant	Ministry of Municipal Affairs
John Edwards	Ministry of Municipal Affairs
Rod Quintin	Saskatchewan School Boards Association, Administrator
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Ray Goruick	City of Moose Jaw
Joe Day	City of Prince Albert
Don Barr	City of Regina
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Vacant	City of Saskatoon

ADMINISTRATIVE SUPPORT:	
Irwin Blank, CEO	SAMA
Shaun Cooney, Committee Secretary	SAMA

[COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2009]

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

MEMBER	ORGANIZATION
Neal Hardy, Committee Chair	SAMA Board Chair
Fred Clipsham (non-voting)	SAMA Board Member, City Sector
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
Vacant (non-voting)	SAMA Board Member, Rural Sector
Ray Sass (non-voting)	SAMA Board Member, Education Sector
Rick Brunsdon (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Michael Huber	Regina Downtown Business Improvement District
Vacant	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Vacant	Association of Saskatchewan REALTORS
James Camplin	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Laurie Ell	Building Owners and Managers Association
Frank Zinner	Canadian Property Tax Association
Alan Thomarat	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Rick Jukes	National Golf Course Owners Association, Saskatchewan Chapter
Garth Gish	Inland Terminal Association of Canada
Pat Earl	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
David Loader	Canadian Association of Petroleum Producers
Darrell Zwarych	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Johnathan Potts	Tourism Saskatchewan
Robert Schultze	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada

OBSERVERS	
Norm Magnin	Ministry of Municipal Affairs
Colleen Mackenzie	Ministry of Enterprise Saskatchewan
Cam Pelzer	Ministry of Tourism, Parks, Culture and Sport
Don Barr	City of Regina
Les Smith	City of Saskatoon
Joe Day	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Michael Kehler	City of Swift Current
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT	
Stuart McDonald, Committee Secretary	SAMA

[RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2009]

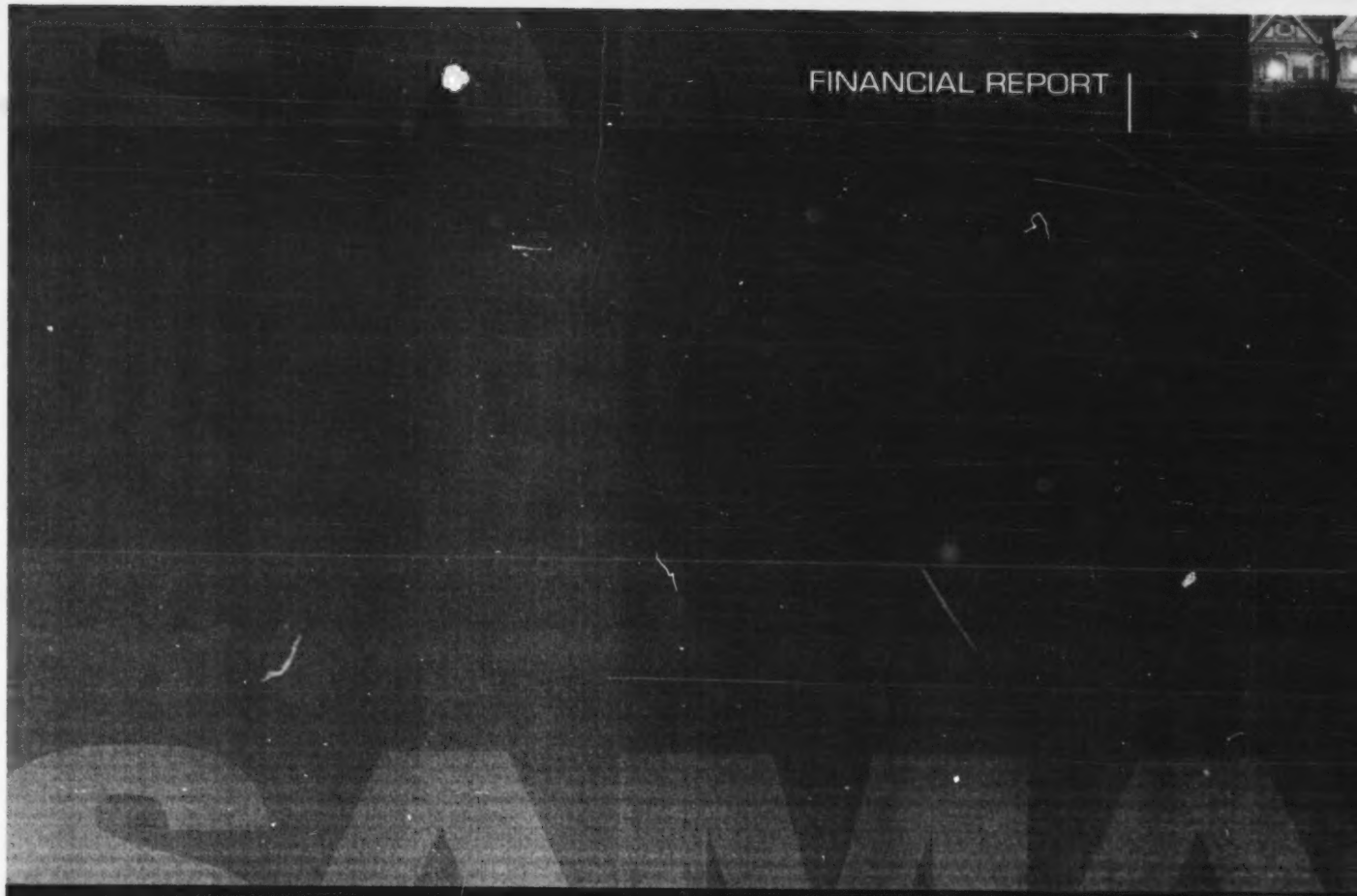
The Rural Advisory Committee is responsible for rural municipalities.

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Vacant	SAMA Board Member, Rural Sector
Ray Sass	SAMA Board Member
Neal Hardy	SAMA Board Chair
Rick Brunsdon (non-voting)	SAMA Board Member
Jim Angus (non-voting)	SAMA Board Member
Vacant (non-voting)	SAMA Board Member
Allan LaRose	R.M. of Hazelwood No. 94
Delbert Schmidt	R.M. of Longlaketon No. 219
Morgan Powell	R.M. of Miry Creek No. 229
David Popowich	R.M. of Good Lake No. 274
Gordon Meyer	R.M. of Progress No. 351
Doug Oleksyn	R.M. of Shellbrook No. 493
Darryl Senecal	Saskatchewan Association of Rural Municipalities, Board Member
Richard Eberts	Provincial Association of Resort Communities
Janet Foord	Saskatchewan School Boards Association, Trustee
Della Schmidt	Saskatchewan Assessment Appraisers' Association
OBSERVERS:	
Erin McConnell	Ministry of Municipal Affairs
Ken Engel	Saskatchewan Association of Rural Municipalities, Executive Director
Maureen Sample	Saskatchewan School Boards Association, Administrator
Kim McIvor	Rural Municipal Administrators Association of Saskatchewan
Barb Zelinski	R.M. of Corman Park No. 344, Administrator
Irwin Blank	SAMA CEO
ADMINISTRATIVE SUPPORT:	
Steve Suchan, Committee Secretary	SAMA

[URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2009]

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

MEMBER	ORGANIZATION
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Fred Clipsham	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Neal Hardy	SAMA Board Chair
Ron Thomas (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
Vacant (non-voting)	SAMA Board Member
Randy Goulden	City of Yorkton
Sandy Larson	City of Swift Current
Fran Passmore	Town of White City
Anne Weisgerber	Town of Maple Creek
Larry Hall	Village of Buena Vista
Gary Kayter	Village of Dysart
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Grant Gustafson	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association
OBSERVERS:	
Kelly Munce	Ministry of Municipal Affairs
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Curt Van Parys	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Garry McKay	City of Weyburn, Commissioner
Irwin Blank, CEO	SAMA
ADMINISTRATIVE SUPPORT:	
Todd Treslan, Committee Secretary	SAMA



To the Board of Directors of
Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 2009 and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
February 12, 2010

[SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY]

[BALANCE SHEET]

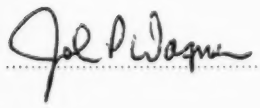
As at December 31, 2009

	2009	2008
CURRENT ASSETS		
Cash	$ 1,581,723	$ 485,103
Accounts receivable and accrued interest	102,363	300,045
Saskatchewan Education grant receivable	1,291,500	1,156,500
Province of Saskatchewan grant receivable	-	550,000
Prepaid expenses	289,012	242,580
	3,264,598	2,734,228
CAPITAL ASSETS (Note 3)	3,223,352	3,813,101
	$ 6,487,950	$ 6,547,329
CURRENT LIABILITIES		
Accounts payable	$ 449,590	$ 637,794
Deferred revenue (Note 4)	1,010,821	204,540
Current portion of deferred contributions related to SPAN (Note 6)	578,752	578,752
	2.039,163	1,421,086
DEFERRED CONTRIBUTIONS (Note 5)	229,963	196,633
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 6)	2,315,005	2,873,726
	4,584,131	4,491,445
NET ASSETS		
Capital fund	329,595	360,623
Operating fund		
Reserves (Note 7)	1,386,454	1,456,683
Unrestricted	187,770	238,578
	1,574,224	1,695,261
	1,903,819	2,055,884
	$ 6,487,950	$ 6,547,329

See accompanying notes

APPROVED BY THE BOARD

..... Director


..... Director

[SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY]

[STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - OPERATING FUND]

Year ended December 31, 2009

	Budget 2009 (Unaudited)	Actual 2009	Actual 2008
REVENUES			
Province of Saskatchewan Ministry of Municipal Affairs operating grant	$ 6,320,000	$ 6,320,000	$ 5,870,000
Province of Saskatchewan restricted grant (Note 5)	330,000	296,670	494,317
Municipal requisitions	5,787,730	5,787,477	5 ,774,389
Requisitions from Saskatchewan Ministry of Education on behalf of school divisions	4,305,000	4,305,000	3 ,855,000
Fees	264,500	267,171	286,901
Interest	120,000	(146)	38,982
Appraisal and assessment services	405,000	519,032	457,349
Miscellaneous	31,000	48,880	57,939
	17,563,230	17,544,084	16,834,877
EXPENSES			
Aerial photography	84,410	60,000	93,735
Financial services	17,000	32,234	18,475
Communications	20,590	22,855	45,517
Computer system maintenance	1,155,700	1,160,351	1,250,342
Insurance	24,060	19,259	15,935
Land titles information	273,570	206,006	257,689
Office	579,600	529,566	594,770
Printing	205,710	111,060	75,556
Professional	278,800	261,894	245,263
Rent	858,380	914,282	848,733
Salaries and benefits	13,062,530	13,090,063	11,823,010
Staff training and development	253,470	275,509	250,648
Travel and accommodation	820,790	850,217	765,948
	17,634,610	17,533,296	16,285,621
EXCESS OF REVENUES OVER EXPENSES	(71,380)	10,788	549,256
Inter-fund transfers			
Capital asset purchases	(151,780)	(131,825)	(181,425)
Operating Fund balance, beginning of year	-	1,695,261	1,327,430
Operating Fund balance, end of year	(223,160)	1,574,224	1,695,261
Reserves (Note 7)	223,160	(1,386,454)	(1,456,683)
UNRESTRICTED FUND BALANCE, END OF YEAR	$ -	$ 187,770	$ 238,578

[SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY]

[STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - CAPITAL FUND]

Year ended December 31, 2009

	Actual 2009	Actual 2008
REVENUES		
Province of Saskatchewan restricted grant (Note 6)	$ 558,721	$ 578,752
EXPENSES		
Amortization (Note 3)	721,574	744,985
EXPENSES OVER REVENUES	(162,853)	(166,233)
Inter-fund transfers		
For purchase of capital assets	131,825	181,425
CAPITAL FUND, BEGINNING OF YEAR	360,623	345,431
CAPITAL FUND, END OF YEAR	$ 329,595	$ 360,623

See accompanying notes

[SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY]

[STATEMENT OF CASH FLOWS]

Year ended December 31, 2009

	2009	2008
OPERATING		
Excess (deficiency) of revenue over expenses:		
Operating fund	$ 10,788	$ 549,256
Capital fund	(162,853)	(166,233)
Items not affecting cash		
Amortization of capital assets (Note 3)	721,574	744,985
Amortization of deferred SPAN contributions (Note 6)	(558,721)	(578,752)
	10,788	549,256
Changes in non-cash working capital		
Accounts receivable and accrued interest	197,682	(160,959)
Saskatchewan Ministry of Education grant receivable	(135,000)	(325,002)
Province of Saskatchewan Ministry of Municipal Affairs grant receivable	550,000	115,250
Prepaid expenses	(46,432)	(20,256)
Accounts payable	(188,204)	137,695
Deferred revenue	806,281	(49,637)
Deferred contributions (Note 5)	33,330	(164,317)
	1,228,445	82,030
INVESTING		
Purchase of capital assets	(131,825)	(181,425)
	(131,825)	(181,425)
INCREASE (DECREASE) IN CASH (Note 4)	1,096,620	(99,395)
CASH, BEGINNING OF YEAR	485,103	584,498
CASH, END OF YEAR	$ 1,581,723	$ 485,103

See accompanying notes

[SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY]

[NOTES TO THE FINANCIAL STATEMENTS]

Year ended December 31, 2009

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of *The Assessment Management Agency Act* ("the Act") on March 1, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting principles:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

b) Fund Accounting

The financial statements have been prepared in accordance with GAAP for not-for-profit organizations using the restricted fund method of reporting restricted contribution.

The Operating Fund accounts for the Agency's program delivery and administrative activities.

The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements, mainframe computer equipment and the SPAN system, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

d) Computer Software Development Costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under GAAP. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) SPAN Development Costs

Expenditures related to the development of the Saskatchewan Property Assessment Network ("SPAN") were capitalized. The project, which began in June 2002 and was substantially completed in January 2005, allowed the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment.

f) Reserves

Reserves are established by Board approval through appropriations of unrestricted net assets.

g) Revenue Recognition

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan. Approved operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

h) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Agency's designation of such instruments. Settlement date accounting is used.

Classification:	
Cash	Held-for-trading
Accounts receivable and accrued interest	Loans and receivables
Grants receivable	Loans and receivables
Accounts payable	Other liabilities

Loans and receivables

Loans and receivables are recorded at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments.

Transaction costs

Financial assets and other liabilities are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange risk

The Agency does not have any significant exposure to foreign exchange risk.

Interest rate risk

The Agency is exposed to interest rate risk arising from fluctuations in interest rates and the degree of volatility in these rates. The Agency does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

The Agency is not dependent on any single customer or group of customers. There is no concentration of credit risk related to the Agency's accounts receivable.

Fair value

The Agency's financial instruments consists of cash, accounts receivable and accrued interest, grant receivable and accounts payable. The fair value of these instruments approximates carrying amount due to the short period to maturity.

II. Future accounting policies

The Canadian Institute of Chartered Accountants ("CICA") has issued a new framework applicable to Canadian private enterprises. Effective for fiscal years beginning on January 1, 2011, private enterprises will have to choose between International Financial Reporting Standards (IFRSs) and GAAP for private enterprises, whichever suits them best. Early adoption of these standards is permitted. The Agency currently plans to adopt the new accounting standards for private enterprises for its fiscal year beginning on January 1, 2011. However, the date of transition to the new standards and the impact of this transition have not yet been determined.

3. CAPITAL ASSETS

	December 31, 2009			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ -
Desktop computer equipment	40%	1,929,732	1,795,562	134,170
Furniture and equipment	20%	765,158	613,789	151,369
Leasehold improvements	1/5	511,863	467,807	44,056
SPAN system	1/10	5,940,000	3,046,243	2,893,757
		$ 9,260,708	$ 6,037,356	$ 3,223,352

	December 31, 2008			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ -
Desktop computer equipment	40%	1,875,452	1,706,117	169,335
Furniture and equipment	20%	719,170	575,946	143,224
Leasehold improvements	1/5	480,306	452,273	28,033
SPAN system	1/10	5,940,000	2,467,491	3,472,509
		$ 9,128,883	$ 5,315,782	$ 3,813,101

Amortization expense for the year comprised the following:

	2009	2008
Amortization of equipment and leasehold improvements	$ 142,822	$ 166,233
Amortization of SPAN system	578,752	578,752
	$ 721,574	$ 744,985

4. DEFERRED REVENUE

Deferred revenue relates to grants received in advance for services that are not yet earned. Deferred revenue is comprised of the following:

	2009	2008
Ministry of Municipal Affairs grant	$ 1,000,000	$ -
City of Moose Jaw Services Agreement	10,821	204,540
	$ 1,010,821	$ 204,540

5. DEFERRED CONTRIBUTIONS

Under Section 18(3) of the Act, the Agency is entitled to receive additional funding from the Province of Saskatchewan subject to any terms and conditions that the Minister may prescribe. A restricted contribution has been received for the development of the 'income approach' for commercial assessment. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met. Deferred contributions represent unspent resources from this externally restricted funding.

	2009	2008
Deferred contributions, beginning of year	$ 196,633	$ 360,950
Restricted contribution received during the year	330,000	330,000
Eligible expenditures during the year	(296,670)	(494,317)
Deferred contributions, end of year	$ 229,963	$ 196,633

6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

From 2002 to 2007, the Agency received restricted contributions for the development and implementation of SPAN. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met. It is anticipated that the amortization of the restricted contribution will continue to the end of 2014.

	2009	2008
Deferred contributions, beginning of year	$ 3,452,478	$ 4,031,230
Amortization of deferred contributions	(558,721)	(578,752)
Deferred contributions, end of year	2,893,757	3,452,478
Current portion	(578,752)	(578,752)
	$ 2,315,005	$ 2,873,726

7. INTERNALLY RESTRICTED RESERVES

	2009	2008
Reserves, beginning of year	**$ 1,456,683**	$ 1,175,103
Reserves made during the year	**427,491**	395,000
Approved expenditures made during the year	**(497,720)**	(113,420)
Reserves, end of year	**$ 1,386,454**	$ 1,456,683

The balance in reserves at December 31 comprised the following:

Reserve for communications	**$ 50,000**	$ 50,000
Reserve for computer enhancements	**618,803**	491,460
Reserve for professional fees	**487,651**	685,223
Reserve for travel	**230,000**	230,000
	$ 1,386,454	$ 1,456,683

a) Reserve for Communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system. There were no transfers or charges to the reserve in the current or prior year.

b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2009, $313,080 (2008 – $195,000) was transferred to the reserve and approved expenditures were $185,737 (2008 – $42,343).

c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2009, $114,410 (2008 – $200,000) was transferred to the reserves and approved expenditures were $311,982 (2008 – $71,077).

d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical reinspection of property in municipalities. There were no transfers or charges to the reserve in the current or prior year.

8. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2009 and 2013. Annual lease payments over the next four years are as follows:

2010	$	701,099
2011		650,518
2012		245,739
2013		57,057

The Agency leases certain equipment under an operating lease with annual payments of $29,280. These lease payments expire on December 1, 2010.

The Agency's Board of Directors has approved the replacement of the Agency's computer desktop hardware and software and related services for an amount no greater than $630,000.

The Agency is one of 17 parties to the Saskatchewan Geospatial Imagery Collaborative Members Agreement dated September 20, 2007. The agreement expires December 30, 2010. The purpose of the agreement is to establish a province-wide database to contain geospatial imagery to be accessible by the funding members. The Agency's total commitment is to provide funding of $350,000, with $170,000 paid in 2007 and $60,000 to be paid each year from 2009 to 2011.

9. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan ("PEPP"), a defined-contribution plan. Funding requirements are established by The Superannuation (Supplementary Provisions) Act and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan ("PSSP"), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan's General Revenue Fund. The total pension cost to the Agency for employees in PEPP was $702,654 (2008 - $622,101).

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of common control by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2009	2008
Operating expenses	$ 1,921,430	$ 1,842,966
Accounts receivable	48	49,827
Accounts payable	47,177	48,780

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

11. CAPITAL MANAGEMENT

The Agency is financially dependent on grants from the Province of Saskatchewan, municipal requisitions and requisitions from Saskatchewan Ministry of Education on behalf of school divisions. The Agency uses the funds available to provide governance and property assessment services for provincial and local governments in the Province of Saskatchewan.

Reserves described in Note 6 for anticipated future costs are authorized by the Board of Directors. Contributions to and expenditures from reserves are made in accordance with the terms and conditions established by the Board of Directors.

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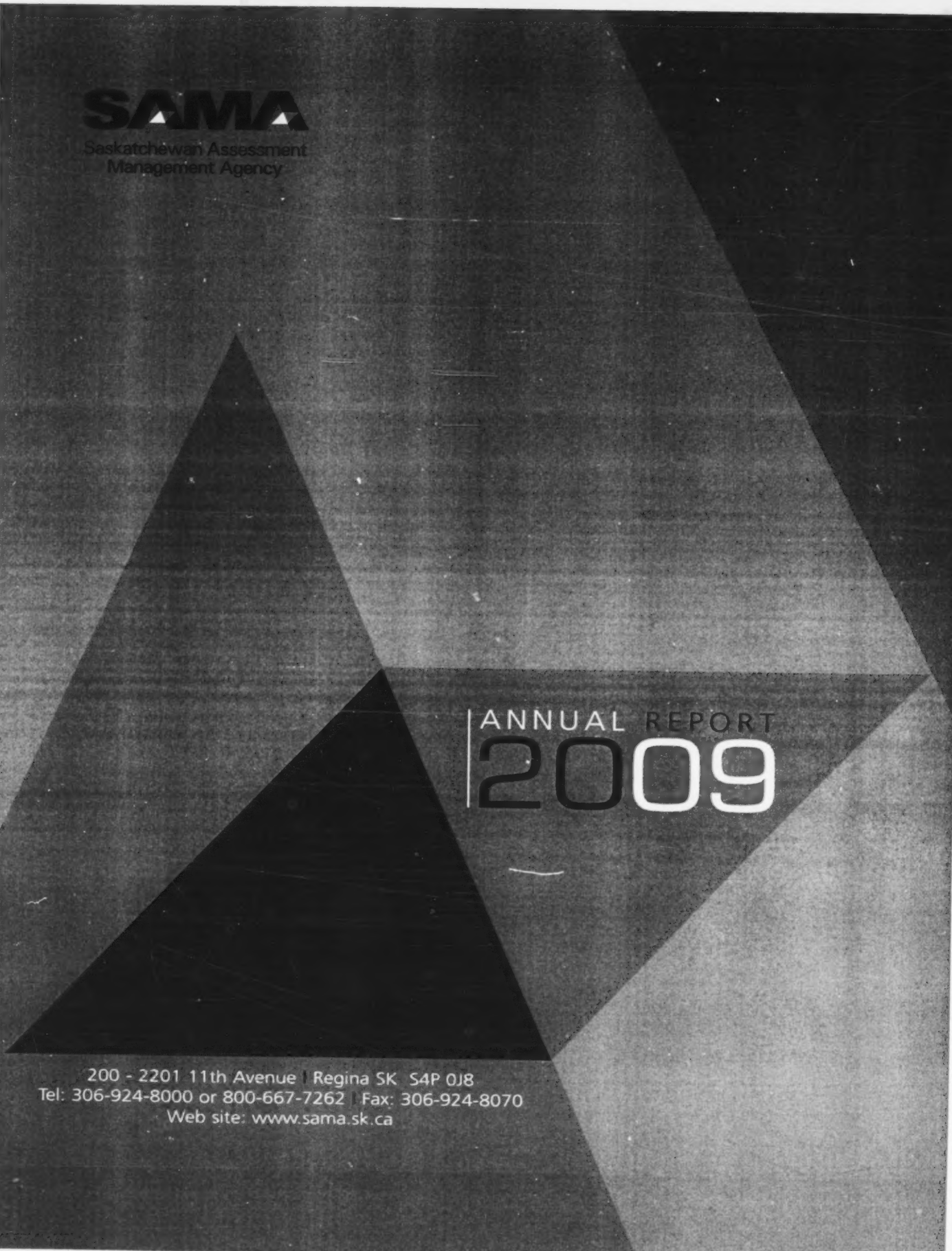

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